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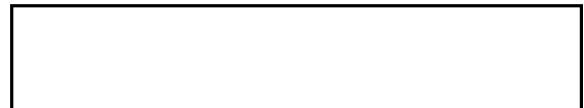
SEMINAR ON NATIONAL INTELLIGENCE ESTIMATES

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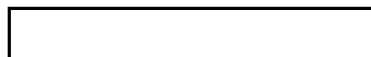


Center for the Study of Intelligence
Central Intelligence Agency
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Seminar on National Intelligence Estimates

Perennial questions about the validity and utility of National Intelligence Estimates (NIEs) again surfaced from the recent inquiry by the Center for the Study of Intelligence into the impact of intelligence on the foreign policy review and decision process. Policy makers have been critical of the relevance of NIEs and analysts have expressed concern that the goals of the estimative process are no longer clear. The establishment of the National Intelligence Council (NIC) as a collegial body to prepare and issue NIEs provided a timely occasion to take a critical look at estimative intelligence.

On February 26, 1980 a group of 15 people met under the auspices of the Center for the Study of Intelligence to share their views and to exchange their ideas on the NIE process and its role for the future. Participants were drawn from Intelligence Community specialists who have been or who will be actively involved in estimative intelligence. The agenda was designed to provide for a discussion of the purpose, theory and practice of estimates. Particular emphasis was placed on the following questions:

- What role should NIEs play in making foreign policy?
- Is there an ideal methodology for writing an estimate?
- Can an evaluation process to judge estimates be established?

I. Historical Perspective

At its inception, the National Intelligence Estimate was designed to serve as a comprehensive analytic product:

- The NIE was to be a paper in which all of the available and relevant resources within the Community were brought to bear on the question(s) at hand.
- By projecting forward, the NIEs were to shed light not only on the situation as it existed, but also to make judgments about the likely course of events. This was not meant to be a prediction but rather a means of bringing out a range of

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possible developments and the relative probabilities that they might occur.

- NIEs were to provide a process for uncovering and illuminating real differences of opinion where they existed among the various agencies. They were to provide, for example, an opportunity for the NFIB principals to dissent from the main paper. The fact that there were differences among the agencies or among analysts within a single agency was not important; rather it was an explanation of just what the arguments entailed which mattered most.

Early Days

In the early days of the Office of National Estimates, the original role and purpose of estimates was clear. Under the Eisenhower administration, estimates played an integral part in the policy formulation process. Each policy paper was required to have an estimate attached to it. The process also included an extraordinary effort to find out on a daily basis exactly what was bothering the President and what he really wanted to know. The NIEs were then carefully tailored to address those concerns.

Viewing this 1950s period in hindsight, one participant felt that it would be more appropriate to label it as the "Golden Age of Estimates That Never Was." It was really during the Kennedy administration that estimates had an important policy impact, although it was more unstructured and less deliberate. The DCI himself was actively involved in the estimative process during this period and had the confidence of the President. In addition, senior intelligence officers had access to the NSC principals, and were able to provide useful and timely products directly to them.

Losing the Path

Whether due to organizational or personality problems, it was the consensus of those present that we have somehow "lost the path" toward effectual estimates in recent years. Three reasons were suggested for this:

- The vertical structure of analytic elements:

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Policy makers want papers that provide a synthesis of materials reaching across diverse disciplines. They want intelligence analysis to put into perspective the various elements of a complicated situation. Such papers must provide the policy maker with an understanding of how these factors--political, economic, and technical--interact, and they must be written so that they can be rapidly read and absorbed. With the exception of the annual strategic and conventional forces estimates, there seems to be no real mechanism within the intelligence community today that can bring about this synthesis of facts and ideas. Instead the Intelligence Community provides "1000 bits of information stapled together--and thus 1000 pages to be read."

--The United States as reactor:

Within a rapidly changing international environment the United States has become less an initiator of action than a reactor to events. The structured style of policy making that predicates estimates on how others will react to U.S. action is thus obsolete. In such a "catch-up" situation there is some confusion about what the Intelligence Community should provide. Are policy makers so concentrated on the immediate, tactical problems that they miss or ignore the larger implications of their actions? This problem is reflected in the difficulty of getting anything written and read beyond current intelligence.

--The dispersion of skills formerly residing in ONE:

Although there were many pluses and minuses to ONE, there seems little doubt that estimates it produced were used by policy makers during its existence. There is no single production office today that has the analytic skills the ONE Staff and Board were able to bring together during their heyday.

One participant concluded this portion of the discussion by reminding his colleagues of the danger in generalizing too much or of putting the past into neat, well-defined little categories. Even in the past there was no instant or automatic line-up between an NIE and policy. Sometimes NIEs ran counter to policy; sometimes they had a potential for impact but were ignored by policy makers.

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II. NIE Role in the Policy Process Today

What role should the NIEs be playing in the foreign policy process? Is it possible to construct them so that they fit the requirements of any given set of policy makers? For the present administration, tactical (short-range) decisions made within a critical mode seem to have taken precedence over those with a more global (long-range) scope. If NIEs are intended to play a role in the more global aspects of decision-making, can they still be used effectively in crisis?

Several participants felt that NIEs have an important role to perform even in tactical situations. They cited the recent example of Panama as one in which an intelligence estimate provided important support in dealing with what was essentially a tactical policy problem. Yet many recognized that, as policy makers deal with short-range problems, traditional estimates are not always suitable. It appears that administrations become increasingly short-sighted as their time in office proceeds, tending to concentrate more on the immediate problems that develop.

Perhaps the tendency to shift from long-range to tactical policy making is one reason why the group could generally agree that Special National Intelligence Estimates have had the best track record over time. SNIEs were designed to address a narrow question over a finite period of time, to bring the issue into sharper focus and to use the best people available to accomplish this. The direct question/specific answer format did much to get the policy maker personally involved in the process. There was some concern among the participants that the SNIEs had become eroded over time and overridden by other systems. These "others"--the NIO system, for example--have not as yet been brought into the process sufficiently, and this allows the policy maker to go about his business without directly bringing in the Intelligence Community. One participant suggested that we should think about returning to the SNIE in the future in order to draw the Community back into the process and not just one individual or agency.

It was the consensus of those present, however, that to apply NIEs only to the actual decision stage of policy making is a much too narrow view of their usage. With the many potential intelligence inputs available, the NIE provides a

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conceptual framework which has been argued out within the Community. It provides a carefully thought-through backdrop to help policy makers address problems as they occur. This instructive quality of estimates is important.

The formal process of doing an estimate itself serves a twofold purpose: organization of substantive material and elimination or a "factoring out" of that which is unlikely to occur. If people across the Community have done or are doing their jobs, the policy makers will be given:

- a systematic view of the problem in all its aspects,
- a checklist, and
- an examination of relevant factors perhaps not thought about before.

Whether the judgments to be drawn from this information are right or wrong is another question. Nevertheless, estimates ought to provide some assurance that the whole question has been thought about in depth.

III. Usefulness of NIEs

After a general acknowledgment that NIEs still do have a viable role to perform in the policy process, the seminar discussion turned its attention to their actual usefulness to the policy maker. Some consumers have complained that estimates are not relevant to a discussion of policy options for they do not provide clues to the options policy makers must eventually decide upon. Others complain that when NIEs do directly address policy options, it is in terms of "assailable generalities."

In a potential crisis situation, such as El Salvador, to state in an estimate that the chances for the survival of the present junta are well less than 50% is an irrelevant judgment for the policy maker who is already committed to a particular policy. He cannot readily abandon this policy orientation without losing something of his credibility in the process. A judgment which says that his policy may be in serious trouble only reminds the policy maker of the risks he has taken.

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It is important to keep in mind that military estimates, notably NIE 11-3/8, are really quite different from other estimates where a political or economic context is the primary focus. The efficacy of the military estimates is less in dispute, but in fact their role is different from that of the "country/problem" estimates. In codifying a view of the state of adversary strategic or conventional forces, the predominant impact of these estimates is not at the higher policy making levels, although they may have an indirect effect there. Instead, they provide data to be used as basic reference material for all-level briefings and future planning.. One participant commented that one could corner the Secretary of State with a military estimate and get him to listen to it. Such technical, numbers-oriented estimates are more readily accepted because desk officers and policy makers do not know how to deal with such information on their own. Considering themselves to be accomplished political analysts, policy makers feel capable of making just as good a judgment on the broader issues as an intelligence estimator.

Intelligence by Osmosis

Information appears to move through the national security structure almost by osmosis. There is no standardized way by which people are informed, particularly senior officials. Instead there are the informal luncheon conversations, the more formal staff-prepared papers and the oral briefings. The result of all this is the welling up of vast amounts of intelligence as it moves through the structure in its various forms. Intelligence papers shape people's views often without their knowing it. Even if policy makers do not read a particular paper, they may still obtain its information from their colleagues or staffers with whom they talk. Such is the problem of assessing the usefulness of estimates--policy makers' criticism that NIEs "do not tell me anything that I already don't know" may in fact stem from this acquisition of NIE information via other sources.

In remarking on the disrespect shown to NIEs in recent years one participant related the following story: A junior policy maker once told an intelligence officer "I do not get my estimates from you, I get them from The Washington Post." Whereupon the intelligence analyst responded, "Ah, but where do you think The Washington Post got their estimates!"

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Based on his experiences, one discussant stated that many NIEs are being used at least in the sense that they are read, considered or modified with other inputs. Whether or not a policy maker agrees with them is another matter. He may consciously or unconsciously extract bits from them and put these into his own products. There are countless inputs into the policy process, and intelligence is only one of them. Within intelligence, NIEs are only a single component. Nevertheless, NIEs may have a secondary influence through their effect on the opinions of those who are to participate in the policy meetings.

Making Estimates Relevant

There are no easy solutions to making judgments about the impact of intelligence on policy makers and in determining whether an estimate is relevant to a policy maker's needs. Intelligence estimators can be more certain about the relevance of military estimates, but in the realm of politics, making such judgments is more difficult. Some discussants thought that we do not know as much as we should about what policy makers really want.

One means of finding out is to increase our contact with consumers, particularly through the NIOs. Active dialogue must be established with the policy makers:

- to detect the need for an estimate,
- to make the estimate policy relevant, and
- to enable the estimate to forecast to the point where it can give clues as to what policy makers should be considering in the future.

The interaction between policy makers and intelligence is a critical part of the estimative process. But how are we to get policy makers more directly involved? Both INR and DIA make an effort to bring policy people into the estimates process by getting their inputs to the kinds of questions estimates should be addressing, by discussing with them their concerns and by including them in the framing of the terms of reference. It is said that policy makers are always "too busy." But is this the case? INR, for example, has routine access to policy makers through regular briefing hours. It is important to get as many as possible on the policy side involved in the terms-of-reference stage. If

policy makers believe that they have a stake in the estimate, it is more likely that they will be interested in the final product.

The Quality of Estimates

Although admittedly a generalization, it was felt that there had been a decline in the quality of the estimative product relative to the ability of the consumer to do his own estimating and intelligence work. In part this has been due to a growing sophistication of policy makers as well as their more direct access to raw intelligence traffic. If "knowledge is power," then perhaps the Intelligence Community has indeed lost something.

There was some disagreement, however, concerning a second broad generalization, i.e. with the breakdown of ONE there has been a decline in the quality of people responsible for producing estimates. One participant felt that in actuality the reverse is more likely true. In its latter years, the Board and ONE included people who had nowhere else to go. Sent "out to pasture" in effect, they were not taken seriously by the senior management. Today our analysts are better trained, even though they have more limited experience at estimate writing. The important point is how the available people are used in constructing an estimate: one can follow the old "Greco-Roman" style with its rigid staff system or the freestyle, ad hoc arrangements found in more recent years. Despite complaints by consumers of irrelevance and length, our estimative system is unique in its ability to handle competing sources of information.

IV. Improvements for NIEs

It was suggested that perhaps the production of NIEs should follow more closely that of SNIEs, only placed in a broader context. As with SNIEs, policy people should be brought in to help form the terms of reference. As in the SNIEs, the questions to be addressed should be rigorously defined and focused. Such rigor is especially important where the consequences of U.S. policy decisions would be catastrophic if wrong. Estimates should attempt to give alternative views and to include the implications of bad judgments. The NIE mechanism should provide to the policy maker not an answer but a range of possible answers.

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Is there some methodological way to provide this range which is more "right" than others? Sherman Kent posited an analogy of the estimate process as a pyramid--the known and accepted facts making up its base with the point at the top being the agreed judgment about what is going to happen. In reality, however, this final, single point is rarely reached; perhaps we ought not to try. Perhaps it would be more useful to outline a scope of possibilities ranging from more than likely potential problems to those which can safely be ignored as unlikely.

NIE production currently tends to focus on assessments only of what the most likely course of action is or would be in the face of a crisis; policymakers are left unprepared for any others. There needs to be more attention to assessing the implications for the United States of alternative courses of action. The question arose as to whether or not such an assessment would in fact be an estimate or some completely different paper. Most participants seemed to agree that we have the opportunity to do a lot more and still have it considered a legitimate estimate.

An excellent case study is a recent paper on the situation in El Salvador. As an estimate this paper goes beyond the basic judgment that the junta will fail. The paper states that barring any major outside intervention, it is inevitable that the revolutionary process will be triumphant and will profoundly alter the existing structures and relationships. It is the nature and duration of the revolutionary process itself which will determine the final outlook:

- if the process takes a long time (e.g., two years) the final composition will be more extremely radical.

- if the process is completed quickly (e.g. six months) the final picture will be more moderately left-wing.

But nothing in the way of U.S. policy will make any difference.

The question of what impact an estimate will have is an important consideration. NIEs can have the most impact where:

- There is established an interactive network of policy and intelligence contacts,

- The DCI is actively involved, and

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--the estimate does for the customer what he cannot do for himself.

The policy maker's first reaction is "what can we do?" It is the job of NIEs to present the situation as it exists or will exist. It is however up to the policy maker to deal with it. NIEs can posit responses to U.S. policy options, but they cannot formulate those options.

Caught up in daily operational routines, the policy maker may not be aware of some potential or developing crisis. For example, Iran did not receive early attention because policy makers and their staffs were concentrating on Arab and Israeli difficulties. NIEs must serve to keep the policy maker from getting side-swiped by unexpected events while attention is being diverted elsewhere. Here an added premium is placed on the personalities of the NIOs involved--whether they are energetic in dealing with policy makers, whether they have the respect of their policy counterparts and whether they are effective in presenting the estimates, especially ones which may be uncongenial to the policy maker's plans.

Problems in Coordination

There was some discussion about the El Salvador example as an "estimate." Although specific in scope like an SNIE, it was produced as an NFAC product. This led directly into a comparison of the impact of NFAC versus interagency papers. The question here centered on the value accorded to our community coordination procedures. There is a common feeling among NIE consumers that coordination results in watered-down, rather useless consensus judgments. To be considered more useful, interagency estimates must not only lay out the existing disagreements but explain them as well.

Part of the dissatisfaction with coordinated interagency papers derives from their relative timeliness. Community papers are slower, more protracted in their production. Agency papers, by comparison, are thought to be more up-to-date. This may, however, be attributable to reader prejudice, as community Alert Memorandums are produced in a day.

Regardless of whether or not an important paper is termed an "estimate," it is up to the Community to see that the right people are made aware of its existence. Unfortunately we tend to drop the ball at this point, relying almost on chance to see that it is read.

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V. Methodology

Is the policy maker better served if we do alternative analysis or if we seek to reach agreed judgments? While acknowledging policy-maker criticism of coordinated judgments, a few of the seminar participants felt that there was a certain amount of myth to the merits of creative disagreement. Alternative judgments do have value but where a consensus can be reached it is good to say so. It need not, however, be an either/or situation. It is possible to do alternative analysis and still reach some agreement.

The 1973 Middle East war was cited as one example. It was the consensus of the intelligence community that the Arabs would not attack. Nonetheless it was thought valid to consider the alternative hypothesis that they would attack. But the system did not operate to bring out this second "less probable" alternative. Perhaps this is in part due to the hammering out of the various positions by each group before the interagency session is convened. It is highly unlikely that real differences among analysts of one agency will surface in the process unless they also exist as differences of view among agencies.

There was some disagreement as to the use of footnotes in estimates. One participant thought that the footnote procedure was pejorative, implying that there was some "rebel" out of phase with the group. Another participant felt that the footnote was useful in that differences of view not directly expressed in the text of the final estimates would stand out and be read. Appropriate footnoting would prevent a reader from otherwise missing these differences of opinion.

It was generally agreed among the participants that alternative analysis should be used when possible and that it should be a mandatory exercise to at least explore all alternatives. Where alternatives are rejected, they should still be listed with an explanation for their dismissal.

VI. Evaluation of NIEs

Without some means of evaluating the NIE process, it is difficult to tell how well we are doing. Looking at estimates after the fact can often present a skewed view. Asking the intended policy makers for their opinions on the quality of the estimate does not provide a consistent standard, especially

when quality is equated with utility. One participant pointed out that it was important to make distinctions about the type of estimative judgments being evaluated--lumping estimates which dealt with softer, more difficult information together with those using relatively unquestioned data distorts their respective contributions.

One problem with postmortems conducted in the past was that the persons doing them were most likely to have been the analysts of the original estimates themselves. It is good to go back periodically to review an estimate or a series of estimates to see exactly what they did or did not contribute, but it should be done by small teams, not the author.

Postmortems of estimates whose original purpose was to undertake some kind of prediction do not help the policy maker. Such an evaluation will show only that the predicted event did or did not happen. Most policy makers already have some chosen objective in mind. What they most want to know from the estimate are the elements in the situation which would make the desired outcome more probable. It would be useful for policy makers if these types of estimates could be evaluated for future reference.

Postmortems of 11-3/8 estimates are relatively easy to do--they are either right or wrong. The judgments contained in political estimates, however, are extremely difficult to evaluate. For one year a running box score was kept on the forecasting ability of these latter estimates. The results proved futile:

- 50% of the events were never resolved, and
- in a substantial number of the remaining 50%, things predicted did indeed happen but not quite in the way described by the estimates. There were also a number of estimates which forecast such events as "the sun will rise tomorrow."

This is not to say that postmortems of political estimates are useless. There are lessons to be learned from hindsight. One study analyzed existing estimates up to the 1960s. Predictions dealing with more quantitative analysis, such as technology or gross weapons capabilities, proved to be adequate. But the thread of political reality in the more general estimates also proved to be surprisingly good: 75-80% right for the world as a whole.

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In the case of political estimates perhaps the question to be asked is not Did we predict accurately? but Did we understand the dynamics of the situation? It is, however, very difficult to sit down and read a paper five years after it was written and not compare it to the way we understand the situation now and judge its value accordingly. If the reader is able to get a sense of who is doing what to whom and the pressures involved, that is the best non-quantitative judgment that we can ask for.

Much can be learned from an evaluation of a successful estimate--how it was drafted, by whom it was written and its terms of reference. Is there a certain constancy involved or is each one different? It may also help in hiring people to write future estimates if it is determined that a certain "type" of author is responsible for those judged to be most successful.

VII. Summary

In the discussion of the role, theory and practice of NIEs, three major conclusions were reached by the seminar participants:

1. It was agreed that the NIE may play a greater role in the foreign policy process than policy makers realize or admit. The role of the NIE is not just as a vehicle for prediction but

- it can educate the policy maker,
- it can organize information for the policy maker, and
- it can do for the policy maker what he does not want or cannot do for himself.

2. It was agreed that not all consumer complaints about estimates are valid. There will always be some problem in the way policy makers remember how they used the estimates as compared to how they in fact may really have used them. In other words, "Intelligence officers remember their analysis as being more useful than it was while policy makers remember it as being less useful than it was." There are limited ways to overcome such complaints. One crucial factor is to involve the policy maker in framing the terms of reference. This helps to make the estimate more policy relevant while establishing for the policy maker some level of interest.

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3. It was agreed that alternative methodologies are useful where they make sense. A consensus where it can be justly reached is good, but where these hypotheses are in competition alternative analysis is very useful. Footnoting is still a viable means of presenting alternative views or "thought objections."

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